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Security Information

Cooperation 5

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT: Contractual Relationship with [REDACTED]

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1. It is apparent that this Agency will continue to have a need for the services of [REDACTED], represented by Mr. [REDACTED] as it has had for the past several years.

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2. In view of this fact, and in view of the fact that substantial sums of money have been paid to this contractor in the past, this office believes that it would be desirable that there be appropriate procurement and audit surveillance of this contractor for future work.

3. It is true that in the past, and before the establishment of the Office of Procurement and Supply, that there was an informal agreement between the then Contracting Officer and certain operating officials covering a very informal manner of contractual relationship with the contractor. It is believed that at present however, adequate methods of contracting have been developed even for those cases involving unusually sensitive procurements.

4. In connection with this matter there was received from the Finance Division a memorandum dated 26 June 1952, copy inclosed, which reads in part:

"With a view toward protecting the interests of the Government....it is recommended that the Procurement Office review the Agency's relationship with the [REDACTED] and explore the possibilities of entering into a definitive written contract or agreement."

5. a. In keeping with the foregoing recommendation and because this office concurred in the logic thereof, a memorandum dated 11 July 1952, copy inclosed, was addressed to Chief, TSS/DD/P, suggesting that a meeting be held between a representative of TSS/DD/P, a representative of the Contractor and this office for the purpose of negotiating the terms of this future definitive contract. No answer was received.

b. By memorandum of 8 August 1952, copy inclosed, a follow-up was made, again requesting that the meeting previously suggested be held. No answer was received.

Document No. 005

No Change to Class. ☐

☐ Declassified

Class. Changed To: TS 5

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By: 017

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6. Again at a later date a follow-up was sent as indicated in the inclosed copy of an "Official Routing Slip". No answer was received.

25X1A9a 7. a. On approximately 6 January 1953 two invoices for [redacted] were received for approval by this office from TSS. This office then talked to Mr. [redacted] of TSS and advised him that the subject invoices could not be approved until the matters raised in P&SO memorandum of 11 July 1952 (par. 5a above) were resolved. He stated that the work being performed was being made a research project by TSS which required the TSS Research and Development Board approval. He stated that he would attempt to have the project approved and submit a requisition "within a few days". No requisition or any other answer was received.

25X1A9a b. Later, a verbal follow-up was made to Mr. [redacted] of TSS who stated he "was working on it".

8. Since no information was available from TSS, this office contacted the Finance Division to ascertain the status of the then long outstanding invoices from [redacted]. We were advised that your office by memorandum of 5 March 1953 had authorized the payment of the outstanding invoices and had given limited approval for payment through the balance of this Fiscal Year without a written contract or audit. 25X1A5a2

9. It is the recommendation of this office that in the interval between the present time and 30 June 1953 that preliminary negotiations be instituted with [redacted] by representatives of TSS and this office to see if it is practicable to work out a written agreement in a secure manner. It is believed that if this is done, the missions and responsibilities of TSS and P&SO can both be accomplished. 25X1A5a2

10. Your determination as to the future action to be taken by P&SO in connection with this long standing problem is requested.

JAMES A. GARRISON
Chief of Procurement and Supply

4 Incls: Memo dtd 26 June 1952
to C/PO fr Finance
Memo dtd 11 July 1952
to C/TSS/DD/P fr C/P&SO
Memo dtd 8 Aug 1952
to C/TSS/DD/P fr C/P&SO
Routing Slip to TO/OTS
fr C/P&SO

25X1A9a
PSO/PD/[redacted]:mm (25 Mar 1952)

Distribution:

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(SENDER WILL CIRCLE CLASSIFICATION TOP AND BOTTOM)

CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

TO		INITIALS	DATE
1	P&SO	JAL	3/27/53
2			
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4			
5			
FROM		INITIALS	DATE
1			
2			
3			

- | | | |
|--------------------------------------|---|------------------------------------|
| <input type="checkbox"/> APPROVAL | <input type="checkbox"/> INFORMATION | <input type="checkbox"/> SIGNATURE |
| <input type="checkbox"/> ACTION | <input type="checkbox"/> DIRECT REPLY | <input type="checkbox"/> RETURN |
| <input type="checkbox"/> COMMENT | <input type="checkbox"/> PREPARATION OF REPLY | <input type="checkbox"/> DISPATCH |
| <input type="checkbox"/> CONCURRENCE | <input type="checkbox"/> RECOMMENDATION | <input type="checkbox"/> FILE |

REMARKS:

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